

FISCAL YEAR 2006 YEAREND PROCEDURES
FOR AGENCIES IN THE
FOUNDATION FINANCIAL INFORMATION SYSTEM
OFFICE OF THE CHIEF FINANCIAL OFFICER
CONTROLLER OPERATIONS DIVISION

I. PURPOSE AND APPLICATION

This memorandum prescribes special requirements for:

1. Recording obligations as of September 30, 2006.
2. Submitting period-end estimates in lieu of actual obligation documents.

Compliance with these requirements will help assure that final financial reports are complete and valid with supporting documentary evidence as prescribed by law and that FY 2006 business is handled expeditiously.

Although actual obligations are officially recorded in the Foundation Financial Information System (FFIS) records, there are normal delays in recording some obligations prior to the due date for the final reports. Therefore, it is necessary for your agency to process period-end estimates to cover obligations that have not been received and processed in a feeder system by close of business, September 22, 2006. Obligations input to the feeder systems through September 22, 2006, will be updated to FFIS on September 22, and will be available for review on September 23, 2006.

Please note: The Office of the Chief Financial Officer and the Office of Inspector General have established **October 27, 2006** as the date for submission of final, unaudited FY 2006 USDA Financial Statements. This date results in compressed time frames for the production and review of reports.

Consequently, COD has revised the cutoff dates for the submission of documents and electronic transmissions for Fiscal Yearend 2006 processing:

- The scheduled final feeder system disbursement date for Fiscal Year 2006 is September 22, 2006.
- The scheduled final FFIS direct enter disbursement date for Fiscal Year 2006 is September 26, 2006.
- Feeder systems will stop processing of FY 2006 Undelivered Orders for inclusion in FY 2006 Financial Statements on September 22, 2006.
- Feeder systems will remain available for processing of FY2006 undelivered orders until September 30, 2006, however, any obligations entered into feeder systems subsequent to September 22, 2006, should also be entered directly into FFIS as a period-end estimate by COB September 30, 2006, for inclusion in the FY2006 reports. IAS will close on

Friday, September 29, 2006.

- Feeders, except Administrative Billings and Collections (ABCO) and OTRS, run subsequent to September 22, 2006, will be dated October 1, 2006 (FY 2007.) The final FY2006 ABCO, IAS and OTRS jobs will run September 29, 2006.
- Corrections to the suspense files (SUSF) should be corrected prior to close of business on September 30, 2006, for inclusion in FY2006 reports.
- Corrections to Reprocessed Payroll (REPROC) should be corrected prior to close of business on September 26, 2006, for inclusion in FY2006 reports

II. ANALYZING AND ADJUSTING OBLIGATIONS

- A. Personnel Costs - Regular payroll costs are chargeable to the fiscal year in which the salary is earned. Lump sum payments are chargeable to the fiscal year in which the date of separation occurs, and cash awards are chargeable to the fiscal year in which the award is approved.

The National Finance Center (NFC) will use estimated payroll costs for Pay Period (PP) 19. Obligation estimates for PP 19 that occur in FY 2006 will be computed by NFC. The basis for these estimates will be 100 percent of the actual PP 17 costs. Period-end estimates should be recorded in FFIS for: (1) any cash awards approved within the last 5 days of the month and (2) lump sum leave payments for all separations during September.

1. Accounting Entered on T&A Form AD-321, PC-TARE Screen, or System for Time and Attendance Reporting (STAR).
 - b. Due to the fiscal yearend nondistribution of payroll accounting in PP 19, Code 1 (to store accounting) may be used in the accounting Data Usage Code block in PP 19.

B. Travel and Transportation

1. Government Transportation System

When requesting transportation tickets from Fedtraveler, travel agencies, travel management centers, or the scheduled airline ticket office using the Bank of America Visa account, obligate all travel beginning on or prior to September 30, 2006, as FY 2006 business. All requests for round-trip tickets procured for trips beginning on or prior to September 30, 2006, even though return travel will be after September 30, 2006, should be obligated as FY 2006 business. Since the billing for all tickets issued in September by the travel agency will not be received at NFC until October, a period-end estimate should be input to FFIS for the value of all travel commencing in September.

2. Per Diem, Mileage, and Other Incidental Expenses, Including Car Rental

Charges for per diem, mileage, and other incidental expenses are chargeable to the fiscal year in which they are actually incurred. If you are not using the obligation feature in TRVL, you may need to prepare a period-end estimate for any unvouchered travel as of September 30, 2006, or for a travel voucher not mailed in time to reach NFC by 12 noon, CDT, September 22, 2006.

3. Electronic Transmissions

Travel System Data Entry Procedures for Personal Computer (PC-TRVL) transmissions must be received at NFC by 12 noon CDT, September 22, 2006, to be included in the September reports.

Please note: All agencies using Form AD-202 (Revised 11/96) as an obligation document in TRVL should enter a period-end estimate for any AD-202's that will not reach NFC by 12 noon, CDT, September 22, 2006.

C. Procurement of Supplies, Material, Equipment, and Services

1. GSA Customer Supply Center orders will be charged to FY 2006 funds established by Form AD-633 (Multiuse Standard Requisition/Issue Statement) when the invoice is received by October 24, 2006, or earlier, and to FY 2007 funds when the invoice is received after October 25, 2006. Period-end estimates should include all purchases made after September 14 and through September 30, 2006.
2. All other requisitions, which must be converted to actual orders, are not considered obligations until Forms AD-838 or other similar documents are issued. The date of actual order governs the fiscal year to be charged. All documents received at NFC by 12 noon, CDT, September 22, 2006, will be included in the September reports. Period-end estimates should include all orders for FY 2006 that were not sent in time to reach NFC by 12 noon, CDT, September 22, 2006.
3. For all recurring Forms AD-838 (Type 43-Purchase Orders) with the exception of Blanket Purchase Agreements (BPA's) which terminate on or before September 30, 2006, particular care should be exercised in reviewing the unpaid obligation listing for Type 43 Purchase Orders which relate to recurring services. If no further services and invoices will be received, please submit a cancellation to NFC by 12 noon, CDT, September 22, 2006.

If additional invoices will be received, DO NOT submit a cancellation, but follow the procedures described below. The amount obligated should be reduced by the amount of services received through September 30, 2006. The reduction must be reported as a

period-end estimate. For recurring services received in September, the covering invoice (usually sent in October) should be transmitted via a Form AD-838-B (Invoice-Receipt Certification) marked AC@ (Complete) in the type of shipment block. This will cancel the obligated balance of the purchase order.

4. All AD-838 (Type 42 Rental/Lease Purchase Orders) will be reestablished for FY 2007 based on the information furnished on the PRCH A-1 Report. The PRCH A-1 Report will be mailed to all requisitioning offices after the first weekend in August. This report should be verified in accordance with the instructions printed on the report and returned to NFC by September 15, 2006.
5. All recurring AD-838 (Type 45 Blanket Purchase Agreements, BPA's) - The PRCH B-6 (Report of Open Purchase Agreements) will be mailed to all procuring offices around August 23, 2006. These listings must be verified in accordance with the instructions printed on the report and returned to NFC by September 19, 2006. All AD-838's for blanket purchase agreement invoices received for payment on or before October 24, 2006, will be charged to FY 2006. All AD-838's received after October 24, 2006, will be charged to FY 2006. If invoices should be charged to the prior year, please indicate the prior year accounting on the AD-838D.
6. Online System (PRCH) - All adjustments or updates to the PRCH online system at NFC must be completed by Noon, September 22, 2006, to be included in the final September reports for FY 2006.

Please Note: Items input to the PRCH Online System after September 22, 2006, will be processed in FFIS as 2006 business, therefore all FY2006 business entered after September 22, 2006, should also be entered directly into FFIS as a period-end estimate by COB September 30, 2006.

7. Integrated Acquisitions Systems (IAS) - All adjustments or updates to the IAS online system at NFC must be completed by 6pm, September 29, 2006, to be included in the final September reports for FY 2006.
- D. Telephone and Utilities - NFC will charge the FY 2006 when the period of service as shown on the invoice ends September 30, 2006, or earlier, and FY 2007 funds when the period of service ends later than September 30, 2006. NFC will develop and report estimates of telephone and utility obligations. The estimates will cover complete unbilled periods of service. Period-end estimates should not be input to FFIS to cover the unbilled September service since the entire October bill will be charged to FY 2006. When the billing period is bimonthly, billings should be reviewed to ensure that charges are distributed to the proper fiscal year.

- E. Purchase Card Management System - NFC will charge the FY 2006 profile accounting classification established for each credit card for purchases made by September 22, 2006. Period-end estimates should be submitted for purchases made between September 22, 2006 and September 30, 2006. Agencies should contact their Local Agency Program Coordinator to facilitate any changes to the profile accounting.
- F. Security Clearance - A request for security clearance is not a valid obligation until the request is made to the Office of Personnel Management. Your office must check with the appropriate personnel office to determine the date of issue. If the date of issue is after September 30, 2006, the obligation must be canceled and reentered in FY 2007. NFC will obligate requests received by 12 noon, CDT, September 22, 2006. Period-end estimates should include all requests for FY 2006 that were not sent in time to reach NFC by 12 noon, CDT, September 22, 2006.
- G. Uniform Allowance - NFC will charge the accounting classification exactly as coded on T&A 's; PP19 uniform allowances must be recorded in the applicable fiscal year. Period-end estimates should include all documents for FY 2006 that were not sent in time to reach COD by 12 noon, CDT, September 22, 2006.
- H. Administrative Billings and Collections – All government IBILLS requiring collection before fiscal yearend must be entered by noon, September 22, 2006. All others where accounts receivables are to be established must be entered by noon, September 26, 2006. Estimated unbilled receivables should be established for any items not input by September 26, 2006.
- I. Disbursements - September 22, 2006, 12 noon, CDT, is the last day payments will be processed in COD administrative payment systems for FY 2006. Please take the necessary steps to ensure that all documents for payment for FY 2006 are transmitted or mailed in time to be processed and scheduled for payment by 12 noon, CDT September 22, 2006. All documents scheduled for payment after 12 noon, CDT September 22, 2006, will be processed as FY 2007 business.

Special Note: Computer Center service agreements are a part of the Greenbook estimates; however, COD will not submit accruals for these contracts. It is the agency's responsibility to input into FFIS period-end estimates for all unbilled portions of Computer Center contracts. Adequate provisions should be made for control over yearend estimates. Actual documents or detailed work papers which support yearend estimates sent to COD should be maintained by the agency for audit purposes. Please retain this documentation for at least 3 years.

IV. REPORTS

September 30, 2006, preliminary Consolidated Financial Statements will be available for review on the FSDW Reporting Center on October 3, 2006. September 30, 2006, final Consolidated Financial Statements will be available for review on the FSDW Reporting Center on October 17, 2006.

V. UNDELIVERED ORDERS

COD will forward listings of unliquidated obligations for AD-838 Purchase Orders as of September 2, 2006. These listings will show, by obligation reference and accounting classification code, the total obligation amount, total accrued amount, and total paid amount. Also included are listings of unliquidated obligations for manual contract payments processed by COD. These listings will show only the current unliquidated balances by obligation reference and accounting classification code.

These listings should be used to identify undelivered orders that an agency may wish to cancel. To cancel an undelivered order:

1. Input into FFIS a period-end estimate reducing undelivered orders by September 28, 2006
2. Submit a formal document to be processed in FY 2007.

VI. REIMBURSABLE PROJECTS

All reimbursable agreements and billing instructions should be received at COD no later than September 2, 2006. Reimbursable income will be accrued only for reimbursable projects with agreements. All cost charges to a reimbursable code where there is no agreement will be treated as nonreimbursable costs.

VII. ELECTRONIC TRANSMISSIONS FOR FY 2007

Electronic transmissions for FY 2007 may resume on September 30, 2006.